GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1330
ANSWERED ON:23.07.2002
DISINVESTMENT OF MARUTI UDYOG
ADHIR RANJAN CHOWDHURY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have recently finalized the sale of Maruti Udyog Ltd. to Japanese automobile, Suzuki Motor Company;

(b) if so, the details in this regard;

(c) the reserved price fixed for the disinvestment of Maruti Udyog Ltd.; and

(d) the manner in which the evaluation of their shares has been done?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH-EASTERN REGION (SHRI ARUN SHOURIE)

(a) to (d): Government entered into a Revised Joint Venture Agreement (RJVA) with Suzuki Motor Corporation (SMC) on 15th May 2002. The RJVA provides for a two-stage disinvestment of MUL shares held by Government:

(i) The first phase of a rights issue of 12,19,512 equity shares of Rs.100 each amounting to Rs.400 crore by Maruti Udyog Ltd. (MUL), with Government renouncing its rights shares to SMC, has been completed. SMC paid Rs.1000 crore to Government as control premium. In the rights issue, for every share of Rs.100, Suzuki Motor Corporation had to pay Rs.3280.This price per share was based on the average of the values worked out by the three valuers appointed by the Government and SMC.

(ii) The second phase involves sale of existing shares of Government (approximately 65.80 lakh) through public issue in the domestic market with participation of Indian and Global Investors as permitted by law. SMC has agreed to underwrite the first public issue of approximately 36.12 lakh shares held by Government of India. In addition, the RJVA also provides for `Put Options` by Government of India at different stages.